

Edmund G. Brown Jr., Governor



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**MEMORANDUM**

**DATE:** July 11, 2013  
**TO:** MRMIB Members   
**FROM:** Jeanie Esajian  
Deputy Director for Legislation and External Affairs  
**SUBJECT:** MRMIB Media Report for June – July 2013

Media inquiries since the last Board meeting were from *KNBC TV* in Los Angeles, *KQED Radio* in San Francisco, *California Healthline*, the *Sacramento Business Journal* and *Speak City Heights*. Media queries were on the topics of the transition of Healthy Families Program children to Medi-Cal, the transition of California PCIP subscribers to the federally administered PCIP, how high risk pools would fare at the end of 2013 and retention rates among HFP subscribers.

If you have any questions or comments regarding these articles, please feel free to contact me at (916) 324-0571 or at [jesajian@mrrib.ca.gov](mailto:jesajian@mrrib.ca.gov).

**latimes.com**

## **An autism treatment lost in California's shift from Healthy Families**

**As California transitions Healthy Families into Medi-Cal, autistic children who were getting applied behavior analysis are losing that coverage.**

By Chris Megerian

8:24 PM PDT, July 7, 2013

SACRAMENTO — Evan Kim was 2 years old when he was diagnosed as autistic last year, and his parents searched for some way to curb his head-banging tantrums.

Using a state-financed healthcare program for low-income families, they found therapists who could provide a specific kind of autism treatment aimed at analyzing and improving behavior. The therapists spent 40 hours a week with Evan at the family's home in the Los Angeles area, coaxing him to stop the tantrums and improving his communication skills.

Evan's mother, Jenny Kim, was relieved — until last month, when her children's healthcare plan changed and the therapy, known as applied behavior analysis, was no longer covered.

"I'm afraid he's not going to make any progress from now on," Kim said. The same service, she said, would cost \$10,000 a month out of pocket.

Evan's therapy was a casualty of the state's effort to phase out its Healthy Families insurance program and shift the nearly 900,000 children it covered into Medi-Cal, the broader healthcare program for the poor. Despite officials' assurances that the transition would not jeopardize services, activists say hundreds of children are losing coverage for applied behavior analysis.

"Those are the families that fall through the cracks," said Julie Kornack, a public policy analyst at the Los Angeles-based Center for Autism and Related Disorders. "If they don't get the treatment they need, they won't be contributing members of society. And everyone will have to pay to take care of them."

Activists fear that other coverage gaps could surface as the state prepares to move the final 150,000 children into Medi-Cal in the next two months. Elizabeth Abbott, an official at the advocacy group Health Access, said she worried that dental resources could also become strained.

"This is potentially the tip of the iceberg," Abbot said.

Rene Mollow, a deputy director at the California Department of Health Care Services, said the transition has been mostly smooth. She said some children can get similar autism therapy through a federal program or local school district, but she conceded that those services won't be available to everyone.

Lawmakers agreed to eliminate Healthy Families last year as a savings measure pushed by Gov. Jerry Brown, but the money hasn't materialized the way the administration had hoped. The state saved only one-fifth of the \$13.1 million it had projected in the fiscal year that just ended.

Administration officials say that's the result of delays, increasing healthcare costs and other factors.

Senate leader Darrell Steinberg (D-Sacramento) pushed to restore coverage for applied behavior analysis for children with autism in the state budget that went into effect last Monday. However, the \$50 million was not included in the budget that lawmakers sent Brown last month.

"The administration promises us a resolution, but we don't have one yet," Steinberg said.

Mollow said the Brown administration was concerned about the cost as the state emerges from a years-long budget crisis.

"We're coming out of a significant deficit," she said. "We're just looking to be prudent with the dollars that we have."

Applied behavior analysis is an intensive treatment in which therapists use positive reinforcement to improve a child's behavior and detailed instructions to make learning new tasks easier. It is used to teach a child, among other things, how to get dressed in the morning and play well with others.

Brown expressed skepticism of the therapy when he signed a 2011 bill requiring many private insurers — but not Medi-Cal — to cover applied behavior analysis.

"There are remaining questions about effectiveness, duration and the cost of the covered treatments that must be sorted out," he said in a statement.

Autism experts disagree, saying the therapy can be costly but is vital.

"They're taking away the only scientifically proven treatment for children who have a very significant medical condition," said Jonathan Tarbox, director of research and development at the Center for Autism and Related Disorders. The center provides applied behavior analysis through state-funded programs.

Patrick Sullivan of San Diego said his 6-year-old autistic daughter, Naia, has benefited dramatically from applied behavior analysis.

Sullivan said a state employee assured him earlier this year that his daughter's transition to Medi-Cal would be "seamless." Later, he learned that her therapy would no longer be covered at the end of this month.

Sullivan hopes his daughter can receive treatment at one of California's regional centers that provide services to the developmentally disabled. But Naia's autism, he said, may not be severe enough for her to qualify, or the amount of therapy she receives could be sharply reduced.

"I don't know what's going to happen," he said.

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A SERVICE OF THE CALIFORNIA HEALTHCARE FOUNDATION



## TRANSPARENCY SOUGHT FOR HEALTH CARE DEPARTMENT

by David Gorn

Tuesday, June 25, 2013

The Senate Committee on Appropriations yesterday unanimously approved a bill aimed at creating greater transparency and accountability at the state's Department of Health Care Services.

"This bill is inspired by information we gathered at an oversight hearing last October and by seeing the way the Managed Risk Medical Insurance Board conducts its business," said Assembly member Richard Pan (D-Sacramento), author of AB 209.

The oversight hearing last fall dealt with the transition of children from the Healthy Families program (which had been overseen by MRMIB) to Medi-Cal managed care plans (which are administered by DHCS). The contrast in transparency between the two state agencies was the impetus for the bill, Pan said.

"AB 209 is part of my effort to bring more transparency and accountability to the Department of Health Care Services," Pan said. No additional funding is needed for his plan, Pan said, since DHCS already has money earmarked for quality and accountability improvements. Those funds, Pan said, might be better spent with legislative input.

"[This bill] provides more direction to DHCS on how the Legislature thinks the [existing] funds could be used to maximize transparency and accountability," Pan said. "This will end up being more efficient and less costly than current practices."

Sarah de Guia, director of government affairs at the California Pan-Ethnic Health Network, said a little more transparency from DHCS could help inform policy decisions.

"This will really help our understanding of how [Medi-Cal] enrollees are getting coverage as well as identifying gaps in services, which will really help us save costs in the long run," de Guia said at yesterday's hearing.

All of that, de Guia said, translates to "minimal cost to the state, but great benefits in the long run."

Pan is hoping to get a floor vote this week on the measure -- in both houses -- so it still could go to the governor this session.



## LESS HIDDEN INFORMATION BY EXCHANGE UNDER NEW BILL

by Angela Hart, California Healthline Contributing Reporter

Friday, June 21, 2013

The Senate Committee on Health this week unanimously approved a bill requiring the state's new health insurance exchange to divulge more contracting information to the public.

Current rules allow Covered California to keep contracts confidential for a year and to conceal financial data indefinitely. The exchange also has authority to conceal other information dealing with negotiations and some meeting minutes.

Under SB 332 by Sen. Bill Emmerson (R-Redlands) and Sen. Mark DeSaulnier (D-Concord) non-financial contract information would be required to be reported a year after contracts are granted and financial information would be required to be publicly available after four years.

Emmerson told the committee Wednesday his legislation was sparked by a newspaper story that pointed out how disclosure exemptions could lead to a lack of oversight in the spending of public monies.

"This issue came to my attention in May of this year when an Associated Press article was published highlighting how current law grants the health care exchange, or Covered California, broad exemptions from the California Public Records Act," Emmerson said Wednesday. He said the exemptions "are unique in comparison with other state agencies."

According to Covered California spokesperson Larry Hicks the board will spend more than \$761 million in federal grant money this year, both on contracts and in working with other state departments.

Emmerson said the Managed Risk Medical Insurance Board's financial disclosure policy for the Healthy Families program was a model for the legislation.

Sen. Ed Hernandez (D-West Covina), chair of the Senate Committee on Health, said SB 332 is another layer of checks and balances for Covered California.

"Covered California is currently transparent, but we wanted to make sure it was written into statute," Hernandez said following the 9-0 vote. "I'm supportive of anything to do with transparency when it comes to the public's right to information."

Emmerson said SB 332 was not penalizing Covered California for any wrongdoing.

"This bill is not a negative comment on the exchange's leadership," he said. "It seeks to codify the exchange's current practice and to ensure that, in the future, sunshine is protected."

Jerry Jeffe, public policy director for the California Chronic Care Coalition, supported the bill, but said it should go farther. He said, for example, the process Covered California used to award 48 education and outreach grants leading to the launch of the exchange should be more transparent. The board awarded \$37 million in grants last month.

"We supported this legislation creating the exchange, but none of us were paying attention to the privacy provisions built in," Jeffe said. "What sparked our interest were the grants announced a few weeks ago. We know that there were some organizations that asked to see the scores and rating sheets for them and were denied access."

Jeffe said California Chronic Care Coalition was one of the organizations denied grant funding for community health care outreach and education.

Taylor Sugere of California Common Cause also spoke in support of SB 332.

"By making Covered California adhere to all aspects of the California Public Records Act, SB 332 promotes transparency and ensures that California is a leader in Affordable Care Act implementation," Sugere said. "California Common Cause believes that the health benefit exchange should not be exempt from future problems with disclosure and transparency standards applied to other agencies."

SB 332 also creates further legislative oversight. Emmerson said the Joint Committee on Legislative Audit would be able to audit the exchange if necessary.

"I want to stress that Covered California's current practice is consistent with the Public Records Act," Emmerson said. "They have so far complied with the public's request for information. Regardless, this bill is still necessary to guarantee transparency in the upcoming years."



## NEW BUDGET MAKES 'MAJOR CHANGE' TO LANTERMAN ACT, AUTISM POLICY

by David Gorn, California Healthline Sacramento Bureau

Thursday, June 20, 2013

Jennifer McNulty is a Ventura County mom whose son has autism. He has come a long way from his early days of aggression and communication problems.

McNulty credits, in part, a treatment called applied behavioral analysis -- or ABA therapy -- for her son's progress. "My son Kyle is 16 now, and ABA therapy has worked for him. Now we are hopeful my son can gain enough skills to the point where he can get a job."

Getting ABA therapy just got a little harder for the McNultys and many other families affected by autism.

### Changes for ABA Coverage

A small, obscure provision in the California budget bill passed last week is the culmination of a number of changes and limitations in autism treatment recently made by the state.

The provision deals with regional centers, the private not-for-profit companies that operate 21 regional centers under contract with the state, to provide or coordinate services for Medicaid beneficiaries with developmental disabilities, including autism.

The Lanterman Developmental Disabilities Services Act, passed in 1969, requires regional centers to pay for medically necessary treatments, including ABA therapy. Last year, in order to shift the funding burden on regional centers, the Legislature passed SB 946 by Sen. Darrell Steinberg (D-Sacramento), which required private insurers to pay for the service, saving money for the state.

From Jennifer McNulty's perspective, before SB 946 passed last year there were no deductibles or copays to even consider. Now that private insurers need to contribute, that has changed.



The budget plan passed by the Legislature last week prohibits regional centers from paying the copayments or deductibles for ABA therapy, except in cases of demonstrable need. Ultimately, the provision means that people with private insurance will have to pay the deductible and copay.

This latest change may be the tipping point for Jennifer McNulty's family, she said, because it's already a financial stretch for the self-employed parents to pony up big money for insurance.

"My husband and I have our business, and we pay almost \$1,500 a month for a PPO, and we can barely afford that," McNulty said. "We sold our family home two years ago. Now we're looking at paying another \$7,500 a year, on top of that [in copays and deductibles]. We can't do that." So, she said, "It does affect me and my family pretty heavily."

Her looming choice is to drop her son's private PPO coverage and enroll him in Medi-Cal -- which, of course, will shift expense from private insurance to the state.

"It's strange. It's as if [the state is] discriminating against families with private coverage," McNulty said. "I've heard people right and left saying, 'Well, no more ABA [therapy] for us, because we can't afford the copays.'"

"I don't see what else to do," she said. "I'm definitely considering dropping coverage."

### **'Never Been an Assault Like This on Lanterman Act'**

State health officials said this is simply an instance of cost-cutting by the Legislature and governor.

All inquiries to state officials for this story were referred to the Department of Developmental Services, which responded with a short written statement. According to the DDS statement, if clients have trouble paying their copays, regional centers are allowed to help, depending on the clients' demonstrated financial need.

The DDS statement said, in part:

"The current budget trailer bill establishes uniform guidelines and authorizes regional centers to pay health insurance co-payments for services on behalf of lower income families or others who demonstrate hardship. Subsequent to enactment of the budget trailer bill, DDS will provide guidance to the regional centers regarding implementation of the authority to pay co-payments for low-income families or others who demonstrate hardship."

In the vernacular, this is called "means-testing."

That kind of means-testing has never been part of the Lanterman Act, according to Rick Rollens, a legislative adviser to ARCA, the Association of Regional Center Agencies.

"This is an historic shift in the Lanterman Act," Rollens said. "It's a major shift. It's the first time when a major service provision is now being means-tested. Historically, this has not been an issue."

This is how the rest of the statement from DDS describes the shift: "The Lanterman Act requires regional centers to identify and pursue all possible sources of funding for consumer services, including private insurance. Recent legislation confirmed the responsibility of insurers and health plans to pay the cost of behavioral health treatment, including ABA, for individuals with autism."

The budget trailer bill language simply includes copays and deductibles as part of that funding source, DDS officials said.

"They're changing the Lanterman Act," Rollens said. "The Legislature and governor, they have the authority to amend it anytime they want. But what has happened here is tragic and didn't have to happen. What this language does is it limits access to services to a certain class of people."

The state has estimated it will save \$80 million a year from requiring insurers and health plans to pay for ABA treatments, though the consumer percentage of that is much smaller, an estimated 10% of the total savings.

"There has never been an assault like this on the Lanterman Act," Rollens said. "The means-testing opens the door for other attempts, for means-testing other services. And it gives the bean-counters in the state the ability to ratchet down on means testing." They can lower the aid threshold at any time, he said.

"It is shameful for the Legislature and the governor to do this," Rollens said. "I'm sure Frank Lanterman is turning over in his grave, as we speak."

### **Lanterman Act Intended ' To Keep Kids Out of Institutions'**

According to Kristin Jacobson, president of Autism Deserves Equal Coverage, a not-for-profit autistic children's advocacy group, the Lanterman Act has remained relatively unchanged since its inception.

In part, that's because it's cost-effective to have autistic children grow up to be "less dependent on the state and more productive members of society," she said.

"One of the main purposes of the Lanterman Act is to keep kids out of institutions and [move them] into homes and into the community," Jacobson said. "It allows us to keep those individuals in society. It's very, very expensive to institutionalize these kids."

Autistic children who don't receive ABA therapy can end up as a lifetime drag on the Medi-Cal system, according to Jacobson. "You're looking at \$2 to \$3 million in costs over someone's lifetime because they don't get treatment," she said.

Judy Mark, government relations chair for the Autism Society of Los Angeles, said the lowest-income and high-income families won't be as affected by the new prohibition on deductibles and copays.

"Working individuals, the people who did the right thing and bought health care insurance, those are the people who will be most affected," Mark said. "Low-income families will still get their ABA therapy. But the middle-class folks, or the lower middle class, this is a multi-thousand-dollar hit they can't afford."

Mark said notices about the change could start going out as soon as July 1. "Lots of parents will be getting letters in the mail and wondering, 'What the heck?'" Mark said.

## **Other Recent Shifts in State's Autism Coverage**

The question of payment for ABA therapy in the regional centers is just one of several recent changes in autism coverage in California.

- The proposal to include ABA therapy as a benefit under the federally funded optional Medi-Cal expansion starting in 2014 was dropped.
- In their May budget proposal, state lawmakers allocated \$50 million (or \$100 million, if the federal matching money was considered) for one fiscal year of ABA therapy for Medi-Cal patients, which would have begun in July 2013. That provision was struck from the budget trailer bill in June.
- In 2009, the state eliminated funding for the Early Start program that affected about 17,000 developmentally delayed and at-risk children, including many kids who had early signs of autism, according to Jacobson..
- In September 2012, the state passed SB 946, requiring private insurers to pay for ABA treatment. The bill also provided for ABA therapy for children in the Healthy Families program. An estimated 10,000 of the 860,000 children in Healthy Families may have qualified for ABA therapy. But shortly after SB 946 passed, the state announced it was eliminating the Healthy Families program and moving those children to Medi-Cal managed care plans.

State health officials at the time assured lawmakers that there would be no gaps in continuity of care and that benefits would follow the children, but that has turned out not to be the case for an estimated 500 Healthy Families children who started to receive ABA therapy. Those children have been referred to the regional centers, and an estimated three-fourths of them are expected to fail to qualify for ABA therapy at the centers.

## **'Worse Off Now Than We Were a Year Ago'**

McNulty can't believe what has happened to autism therapy policy in the past year.

Less than a year ago, she said, it seemed that passage of SB 946 was a great victory for the autism community.

"I was thrilled at the time," McNulty said, "because I thought it would make it a lot easier for families to get their insurance to pay, and it took [financial] pressure off the state."

It seemed like a kind of watershed moment, that policymakers finally understood that children needed these autism treatments, she said.

"None of us ever imagined the Brown administration would put this language in place to undermine families. I couldn't believe it," McNulty said. "There has to be a legal remedy for this. Because this just isn't fair."

Mark summed it up this way: "All of this basically says kids with autism are not entitled to services," she said. "It's incredibly short-sighted."

Mark said autism treatment, coverage and policy now are going to be big topics of conversation in Sacramento. The passage of SB 946 last year ended up not meaning much, after all, she said.

"The reason there's so much doom and gloom in our community right now is because we're worse off now than we were a year ago," Mark said. "It's a worst-case scenario."

## Bill Would Extend Private Plan Requirement To Cover Autism Therapy

by Angela Hart (Guest Contributor)

6/14/13

The autism community got good news this week when the Assembly Committee on Health unanimously passed a bill extending what advocates described as critical behavioral health therapy for people with autism.

SB 126 by Sen. Darrell Steinberg (D-Sacramento) would require California insurers to include applied behavior analysis -- known as ABA therapy -- as an essential benefit under the Affordable Care Act next year.

"This bill is a huge step in the right direction in giving families a ray of hope that brings light at the end of the tunnel," Steinberg said.

There hasn't been a lot of light for autism advocates this week. The budget deal eliminated a \$50 million general fund provision in the trailer bill that would have ensured ABA therapy coverage for Medi-Cal children. Some in the autism community worry that the budget deal also might exclude ABA therapy from the state's list of 2014 ACA essential health benefits.

Tuesday's committee approval of **SB 126** would affect an estimated 12,700 privately insured people diagnosed with autism who use these services today, according to Steinberg's office. The proposed law would extend the provisions of a 2012 Steinberg bill, SB 946, which was due to sunset in July 2014. SB 126 extends that law to 2019.

The original bill, SB 946, also applied to children in the state's Healthy Families program. But with the elimination of that program this year, many families lost coverage in the shift to Medi-Cal managed care plans, despite assurances from state health officials there would be no gaps in coverage.

"There have been concerns about what happens to the services that were provided under Healthy Families when people are transitioning to Medi-Cal," said Assembly member Richard Pan (D-Sacramento), chair of Assembly Health. "The [Brown] Administration indicated that they would still

be covered, however many families have experienced problems with continuity of care because [SB 946] didn't cover Medi-Cal. So when they transitioned, those services were discontinued."

Pan said he and other lawmakers have been pushing the Department of Health Care Services, which is overseeing the transition, to follow through on a previous commitment to continue providing ABA therapy and related autism care.

"That's what was supposed to happen, and it has not happened yet," Pan said. "We want the department to follow through on the commitments that they made to ensure that patients receive care when they make the transition from Healthy Families to Medi-Cal."

Pan said SB 126 is critical for people with autism.

"One of the challenges has been in autism care there's been a bit of tug of war about who should cover treatment. Should it be health insurance companies, or the education system?" Pan said. "What SB 126 does is ensure that children with autism are going to be able to get the care that they need, including behavioral therapy, which I think at times was not always covered."

Melissa Cortez-Roth, legislative advocate for Autism Speaks, called the original bill and the five-year extension "landmark legislation."

"I'm happy to say that the state will not be on the hook for any additional costs [with SB 126]," Cortez-Roth said, "and that ABA is included as an essential health benefit in the exchange."

The setbacks experienced this week by the autism community mean there's an uncertain future for Medi-Cal children with autism, said Kristin Jacobson, president of Autism Deserves Equal Coverage.

"We are certainly not giving up," Jacobson said. "This medically necessary treatment should be covered. When there is an interruption in services, it is very difficult for the children, and often conditions worsen, and that can cause harm."

Steinberg said in April that this week's legislation is "not nearly enough."

"This year we intend to make sure all kids, regardless of whether they're on public or private insurance, get the benefit of behavioral therapy," Steinberg said then. "We must seek to include behavioral treatment for autism in Medi-Cal managed health care."

An estimated 500 children were getting ABA therapy in Healthy Families, and DHCS does not have a plan to continue coverage for all of those children under Medi-Cal managed care, said Karen Fessel, executive director of the Autism Health Insurance Project. Those children can apply for ABA therapy at the regional centers, but with more stringent eligibility standards there, about 70% of those kids' families will simply be denied care, she said.

"If those kids aren't covered through regional centers," Fessel said, "that's going to be a huge problem."

HealthyCal - <http://www.healthycal.org>

## On autism, state won't follow its own edict

Posted By Dan On June 12, 2013 @ 4:17 pm In Associated Press, California Health Report

By Daniel Weintraub

When the state decided to transition low-income kids from state-subsidized private insurance — known as Healthy Families — to the state-run Medi-Cal program, families of children with autism were promised that their kids' treatment would not suffer. But those families soon learned that one especially promising (but expensive) form of treatment was not going to be covered by Medi-Cal.

Since then, those families and other supporters of autism treatment have been lobbying the Legislature to require Medi-Cal to cover the treatment, known as Applied Behavior Analysis. State senators added \$50 million to the proposed budget to pay for the treatment for the coming year. But the latest version of the budget approved by budget-writing conference committee deleted that money.

The cut was especially hard to take because state regulators and the Legislature had already required private insurance companies to cover the therapy as part of their mental health benefits. So the state won't do what it says the private sector must do.

"Particularly at a time when the state's fiscal outlook is improving, it is unjust to pass a budget that continues to deprive children of medically necessary care and causes serious harm to children with autism and their families," Jamila Iris Edwards, Northern California Director of Children's Defense Fund-California, said in a statement e-mailed to reporters. "The State has broken its promise that no child would lose access to critical health care in the Healthy Families transition."

Kristin Jacobson, President and Co-Founder of Autism Deserves Equal Coverage, noted that the state, in emergency regulations adopted last year, cited "imminent, serious, and irreparable harm to the public" if the services were not available to children with Autism Spectrum Disorders.

"Less than a year later, how can the Administration allow these children and others in Medi-Cal to be exposed to the same irreparable harm?" she asked.

Some children will be able to receive the ABA therapy through regional centers for the developmentally disabled. But advocates say slots in those programs are limited and many children will not be able to get the services they need.



## Committee Finally Moves Health Reform Bills

by David Gorn

6/12/13

The Assembly Committee on Health yesterday approved passage of two bills that made up the bulk of policy decisions in the legislative special session on health care.

Yesterday's committee approval came the day after the Legislature and Gov. Jerry Brown hammered out a budget agreement. Some details of that pact have not been officially announced, including a provision for coverage of autism services. Autism coverage is implicitly contained -- but could still be dropped -- from one of the bills passed by the committee yesterday.

SBX1-1 by Sen. Ed Hernandez (D-West Covina) would implement optional Medi-Cal expansion, paving the way for 1.4 million Californians earning up to 138% of federal poverty level to become eligible for the state's Medicaid program.

In the **June 4 version** of that bill, a type of autism therapy called applied behavioral analysis was implicitly covered as an essential health benefit, but autism advocates worry that coverage might be dropped as a result of the new budget deal.

In a letter to state legislators yesterday, children's advocates said:

"Given that hundreds of children transitioning from Healthy Families to Medi-Cal have been unable to continue receiving ABA services, despite the Administration's promises to the contrary, as well as the state's acknowledgement that irreparable harm is caused by the cessation of and inability to access ABA services, it is unconscionable to pass a budget that would continue to deprive children of this medically necessary care."

The letter came from eight organizations including Alliance of California Autism Organizations, The Children's Partnership and Children's Defense Fund-California.

Hernandez did not address those specifics of the bill and focused on the historic nature of the optional Medi-Cal expansion.

"These benefits are 100% federally funded for the first three years," Hernandez said, "and eventually decline to 90% federal funding by 2020."

Hernandez said the legislation would "modernize and simplify the current paperwork-based enrollment process to make it easier for individuals to have access to health coverage."

The committee also passed another special session bill, SBX1-3, also authored by Hernandez. Known as "the bridge program," the bill is designed to allow people to stay in their health plan when financial or family circumstances change. That limits the amount of churning between plans, Hernandez said.

Jim Gross, a legislative advocate for Local Health Plans of California, said the bridge is important for continuity. "We enroll 70% of the Medi-Cal population," Gross said. "It's important to allow them to stay in the plan they were in."

Elizabeth Landsberg, director of legislative advocacy for the Western Center on Law and Poverty, took an unusual tack to talk about the significance of passing the two health care reform bills.

"This morning I renewed my driver's license at the DMV, which I was somewhat dreading," Landsberg said. "But ... it turned out I had nothing to fear. I was at the DMV for a total of seven minutes. I had professional, courteous help, had my picture taken and I was done."

That kind of easy efficiency is possible at the public agency level, Landsberg said.

"Government," she said, "can and often does do things well."

Both of those special session bills now go to the Assembly Committee on Appropriations.

Today, the Senate Committee on Health is scheduled to take up **ABX1-1** by Assembly member John Perez (D-Los Angeles). It is the companion bill to SBX1-1.

## Autism Therapy Out of the Budget

by David Gorn

06/11/13

Several health care provisions were conspicuously absent from the Legislative Budget Conference Committee's budget agreement with Gov. Jerry Brown announced yesterday. The plan has no mention of repealing a 10% Medi-Cal provider rate cut nor a plan to fund autism services.

The agreement omitted a proposal to set aside \$50 million in general fund money to pay for autism services. When matched with federal dollars, the state would have had \$100 million to help pay for autism treatment, including applied behavioral analysis therapy, known as ABA therapy.

Whether ABA therapy will be covered as an essential health benefit starting in 2014 is still up in the air, but yesterday advocates were assuming the worst.

"It's not a good day for people with developmental disabilities, especially autism," said Kristin Jacobson, co-founder and president of Autism Deserves Equal Coverage, a not-for-profit advocacy group.

Less than a year ago, in September 2012, the state passed an emergency measure to fund ABA therapy for Healthy Families children. But soon after that emergency bill became law, the state announced plans for the phased elimination of Healthy Families, starting in January 2013. State officials assured families, advocates and legislators that Healthy Families beneficiaries would get continuity of care and services.

But most children receiving ABA therapy under Healthy Families have not been able to get that service once they were moved to Medi-Cal managed care, according to advocates. Yesterday's omission of one year of funding means Medi-Cal children will not be receiving expanded ABA coverage, at least this year and likely beyond, Jacobson said.

"It's incredibly disappointing the state would leave these kids in the lurch," Jacobson said. "It is unconscionable that they pass emergency regulations in September, then take it away in June. The [Brown] Administration is well aware of the harm it's causing by not taking care of these kids."

Jacobson said it costs the state more when it doesn't treat children with autism because many children without appropriate treatment fail to become contributing members of society. But even

more than that, she said, there is a moral imperative to provide the medical standard of care to children.

"This is the most effective treatment for these kids so it's the equivalent of denying insulin for diabetes," Jacobson said. "Can you imagine denying diabetic kids insulin and then saying, 'What's the big deal'? They're denying standard of care treatment."

Jacobson, contending the state gave families of autistic children false hope that they might get ABA therapy, said it's cruel to reverse field when the state budget is in better shape now than a year ago.

"Families feel completely let down. It's a betrayal," Jacobson said. "This is almost worse than not ever having the services at all because the state acknowledged that this is a public health crisis, that there's a critical emergency, and then turned its back on the kids."

## DHCS Transparency Bill Moves Forward

by Angela Hart (Guest Contributor)

05/31/13

The Senate Committee on Health this week approved a bill that would set new standards of accountability and transparency at the Department of Health Care Services.

AB 209 by Assembly member Richard Pan (D-Sacramento) received unanimous committee approval Wednesday and now heads for a Senate floor vote, the step before it can be sent to the governor's desk.

The bill wants to hold the department accountable for problems that arise with patients moving to Medi-Cal managed care plans with stronger, measurable benchmarks, Pan said.

"None of this has been reported in a way that's useful to people outside the department or one of the plans," Pan said. "It's not really enough to just measure things. One needs to respond to that, identify where the problems are and develop an action plan to address those things that are identified."

Pan said data collected must be made public, and it should be in a usable and understandable format for consumers, providers, researchers, advocates and legislators.

The **legislation** was prompted by problems and concerns that cropped up during transitions to Medi-Cal managed care plans that were facilitated by DHCS, Pan said -- specifically, this year's transition of roughly 860,000 Healthy Families children to Medi-Cal. Pan said he appreciated the way the Managed Risk Medical Insurance Board handled its end of the transition.

"MRMIB actually set the model," Pan said. "They held public meetings on a regular basis. This bill really takes the lessons we've learned from Healthy Families and MRMIB in terms of transparency and accountability and brings it to the entire Medi-Cal managed care program."

Health care advocates voiced similar concerns about the 2011-12 transition of about 240,000 seniors and persons with disabilities to Medi-Cal managed care. In that transition, from June 2011 to May 2012, thousands of seniors and people with disabilities experienced gaps in care and confusion during the transition, according to advocates.

The California HealthCare Foundation, which publishes *California Healthline*, issued a **2012 report** that concluded "the managed care system ... was not prepared" to address beneficiaries' specific needs including mental illness and developmental disabilities.

AB 209 has a number of goals, Pan said:

- Bring transparency and accountability to Medi-Cal managed care;
- Incorporate public and clinical expertise into the program;
- Regularly evaluate cost, access and quality of care provided under managed care plans;
- Set publicly available benchmarks to track progress; and
- Require DHCS officials to hold quarterly public meetings to report on performance standards and monitor quality and access to care.

AB 209 also creates an advisory committee to oversee improvements.

"Our healthcare system needs oversight, especially with the implementation of the Affordable Care Act," said Sen. Ed Hernandez (D-West Covina), chair of Senate Health. "Very soon, we're going to be mandating that everyone purchase health insurance, so if we're going to do that, shouldn't we make sure that it is absolutely the highest quality?"

Hernandez said the additional bureaucratic effort to evaluate Medi-Cal managed care programs is worth doing.

About 4.5 million Californians are covered by Medi-Cal managed care plans, according to DHCS officials.

"It is incumbent on the Legislature to make sure that there is continuity of care and access," Hernandez said. "So yes, there could be some areas we're not as efficient as we'd like to be, but at the same time we want to make sure there's oversight."

"All of us are incredibly aware of the major transitions and large undertakings of the Department of Health Care Services right now," said Vanessa Cajina, legislative advocate for the Western Center on Law and Poverty. "We need quality, accountability and utility of data to ensure that we're providing California's lowest-income Medi-Cal beneficiaries with the quality healthcare that they deserve."